

# The Life Cycle Of A (Slightly Dysfunctional) Licensee

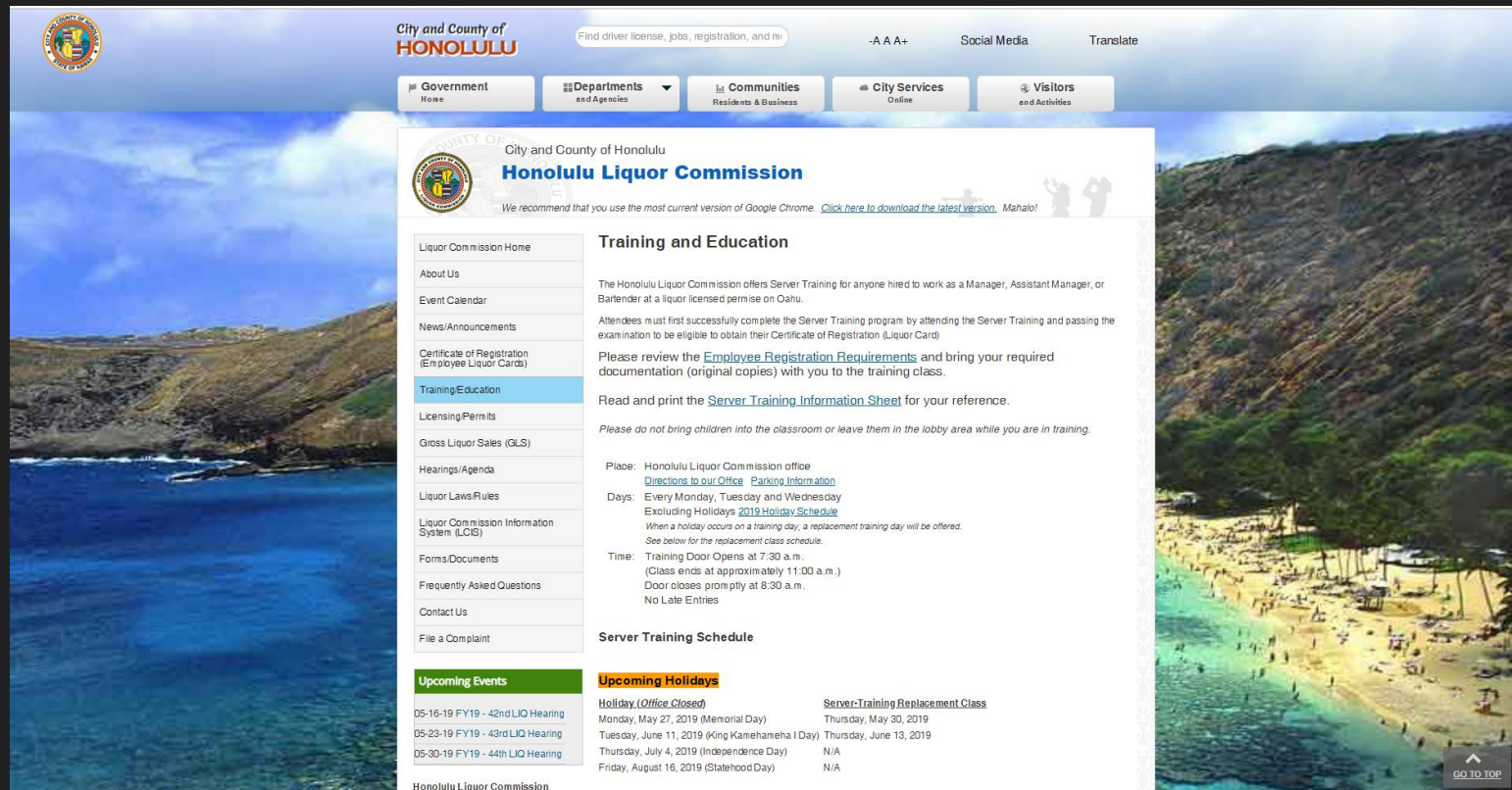
*(With Bonus Content!)*

Hawaii Hotel & Restaurant Show • Hawaii Convention Center • May 30, 2019

# Where To Find Presentation Materials (And Us)

- The Lifecycle of a (Slightly Dysfunctional) Licensee slide show  
<http://www.honolulu.gov/liq/formsdocuments.html>
- General: [liquor@honolulu.gov](mailto:liquor@honolulu.gov) or 768-7333  
<http://www.honolulu.gov/liq/contactus.html>
- Anna: [ahirai@honolulu.gov](mailto:ahirai@honolulu.gov) or 768-7302
- Licensing Support: [liq-licensing@honolulu.gov](mailto:liq-licensing@honolulu.gov) or 768-7367 (Kris) -7323 (Nolan)  
-7359 (Sini)
- Server training: [liq-training@honolulu.gov](mailto:liq-training@honolulu.gov) or 768-7334 (Bert) -7331 (Jenn)
- Audit: [liq-auditing@honolulu.gov](mailto:liq-auditing@honolulu.gov) or 768-7360 (Akiko) -7321 (Seng) -7350 (Pandy)

“what days do you have server training how long is server training do I need to make a reservation what documents do I need where can I park where is the office located” (server training)



**City and County of HONOLULU**

Find driver license, jobs, registration, and more

- A A + Social Media Translate

Government Home Departments and Agencies Communities Residents & Business City Services Online Visitors and Activities

**City and County of Honolulu**  
**Honolulu Liquor Commission**

We recommend that you use the most current version of Google Chrome. [Click here to download the latest version.](#) Mahalo!

**Liquor Commission Home**

- About Us
- Event Calendar
- News/Announcements
- Certificate of Registration (Employee Liquor Cards)
- Training/Education**
- Licensing/Permits
- Gross Liquor Sales (GLS)
- Hearings/Agenda
- Liquor Laws/Rules
- Liquor Commission Information System (LCIS)
- Forms/Documents
- Frequently Asked Questions
- Contact Us
- File a Complaint

**Training and Education**

The Honolulu Liquor Commission offers Server Training for anyone hired to work as a Manager, Assistant Manager, or Bartender at a liquor licensed premise on Oahu.

Attendees must first successfully complete the Server Training program by attending the Server Training and passing the examination to be eligible to obtain their Certificate of Registration (Liquor Card).

Please review the [Employee Registration Requirements](#) and bring your required documentation (original copies) with you to the training class.

Read and print the [Server Training Information Sheet](#) for your reference.

*Please do not bring children into the classroom or leave them in the lobby area while you are in training.*

Place: Honolulu Liquor Commission office  
[Directions to our Office](#) [Parking Information](#)

Days: Every Monday, Tuesday and Wednesday  
Excluding Holidays [2019 Holiday Schedule](#)  
When a holiday occurs on a training day, a replacement training day will be offered.  
See below for the replacement class schedule.

Time: Training Door Opens at 7:30 a.m.  
(Class ends at approximately 11:00 a.m.)  
Door closes promptly at 8:30 a.m.  
No Late Entries

**Server Training Schedule**

Upcoming Events	Upcoming Holidays	Server Training Replacement Class
05-16-19 FY19 - 42nd LIQ Hearing	Holiday (Office Closed)	
05-23-19 FY19 - 43rd LIQ Hearing	Monday, May 27, 2019 (Memorial Day)	Thursday, May 30, 2019
05-30-19 FY19 - 44th LIQ Hearing	Tuesday, June 11, 2019 (King Kamehameha I Day)	Thursday, June 13, 2019
	Thursday, July 4, 2019 (Independence Day)	N/A
	Friday, August 16, 2019 (Statehood Day)	N/A

Honolulu Liquor Commission

# **“What’s A Certificate Of Registration?” (AKA “Liquor Card”)**

Rule §3-82-38.5 Registration of Employees.

- New non-manager or non-bartender, just need photo ID, \$10, and about 10-15 minutes.
- Managers and bartenders must attend server training class and pass a test (good for four (4) years).
- Non-managers and non-bartenders can attend if space available.
- Need a separate card for each place of employment.

# **“I Don’t Have My SSN Card Or My W-2.”**

Rule §3-82-38.5 Registration of Employees.

- Must bring the original SSN card or a printed W-2 form (even from a previous job).
- Will not accept a picture of the SSN card or W-2 on a phone, tablet, etc.
- We cannot print out your W-2 form.
- Once you are “in the system”, these documents do not need to be provided again.
- If lacking your SSN card, ask the trainer if you can attend the class; if space is available, you will receive credit for attending the class and can return at a later date with your photo ID, SSN card, manager letter, and \$10 to get your liquor card later.



# **“I’m Having Trouble Getting a Manager Registered or Renewed.”**

Rule §3-82-38.9 Licensee and Manager in Charge of Premises.

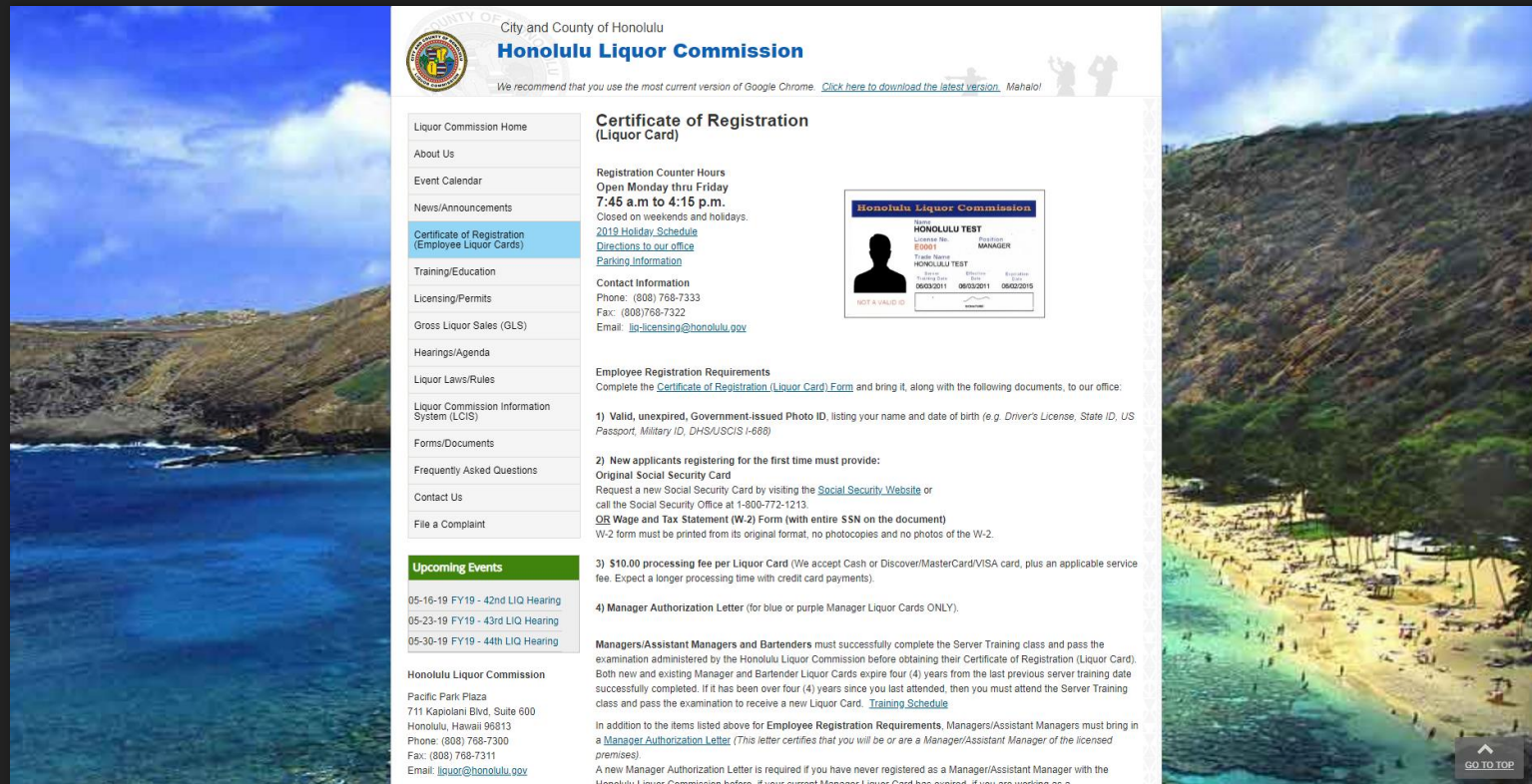
- For a new manager registration, please use our Manager-Asst. Manager Authorization Letter (LIQ-TRN-501) form; it is in fillable PDF format and ensures all required information will be provided and facilitate staff processing.
- Managers renewing his/her manager card (whether expired or soon to be expired) must bring the Manager-Asst. Manager Authorization Letter.
- We cannot accept Letters emailed or faxed directly to us.

# **“What’s the Youngest Age Employee I can Hire?”**

Rule §3-86-101.53 Minors on Licensed Premises.

- Sixteen (16); approval must be applied for; special documentary requirements will apply (e.g., DLIR card, letter from the minor’s school, etc.).
- Cannot touch or handle liquor, not even bussing empty bottles or glasses.
- Eighteen (18) to 20 can be hired for any position except for manager and dancer.

# Certificate Of Registration (Liquor Card)



City and County of Honolulu  
**Honolulu Liquor Commission**

We recommend that you use the most current version of Google Chrome. [Click here to download the latest version.](#) Mahalo!

**Certificate of Registration (Liquor Card)**

Registration Counter Hours  
Open Monday thru Friday  
7:45 a.m to 4:15 p.m.  
Closed on weekends and holidays.  
[2019 Holiday Schedule](#)  
[Directions to our office](#)  
[Parking Information](#)

**Contact Information**  
Phone: (808) 768-7333  
Fax: (808) 768-7322  
Email: [liq-licensing@honolulu.gov](mailto:liq-licensing@honolulu.gov)

**Employee Registration Requirements**  
Complete the [Certificate of Registration \(Liquor Card\) Form](#) and bring it, along with the following documents, to our office:

- 1) Valid, unexpired, Government-Issued Photo ID, listing your name and date of birth (e.g. Driver's License, State ID, US Passport, Military ID, DHS/USCIS I-688)
- 2) New applicants registering for the first time must provide:  
Original Social Security Card  
Request a new Social Security Card by visiting the [Social Security Website](#) or call the Social Security Office at 1-800-772-1213.  
**OR Wage and Tax Statement (W-2) Form (with entire SSN on the document)**  
W-2 form must be printed from its original format, no photocopies and no photos of the W-2.
- 3) \$10.00 processing fee per Liquor Card (We accept Cash or Discover/MasterCard/VISA card, plus an applicable service fee. Expect a longer processing time with credit card payments).
- 4) Manager Authorization Letter (for blue or purple Manager Liquor Cards ONLY).

**Managers/Assistant Managers and Bartenders** must successfully complete the Server Training class and pass the examination administered by the Honolulu Liquor Commission before obtaining their Certificate of Registration (Liquor Card). Both new and existing Manager and Bartender Liquor Cards expire four (4) years from the last previous server training date successfully completed. If it has been over four (4) years since you last attended, then you must attend the Server Training class and pass the examination to receive a new Liquor Card. [Training Schedule](#)

In addition to the items listed above for **Employee Registration Requirements**, Managers/Assistant Managers must bring in a **Manager Authorization Letter** (This letter certifies that you will be or are a Manager/Assistant Manager of the licensed premises).  
A new Manager Authorization Letter is required if you have never registered as a Manager/Assistant Manager with the Honolulu Liquor Commission before. If your current Manager Liquor Card has expired, if you are working as a


**Upcoming Events**

- 05-16-19 FY19 - 42nd LIQ Hearing
- 05-23-19 FY19 - 43rd LIQ Hearing
- 05-30-19 FY19 - 44th LIQ Hearing

**Honolulu Liquor Commission**  
Pacific Park Plaza  
711 Kapiolani Blvd, Suite 600  
Honolulu, Hawaii 96813  
Phone: (808) 768-7300  
Fax: (808) 768-7311  
Email: [liq-licensing@honolulu.gov](mailto:liq-licensing@honolulu.gov)



# “Why Is My [Insert] Being Rejected?” (front counter/intake)



Webmaster Email:  
[liq-webmaster@honolulu.gov](mailto:liq-webmaster@honolulu.gov)

### License Checklist/PDF Packets

If you have any questions regarding a form or checklist item, please email our Licensing Clerical Section [liq-licensing@honolulu.gov](mailto:liq-licensing@honolulu.gov)

#### Requirement for Restaurant License Applications (Rule 3-83-53.1)


For transferred restaurant application licenses, a financial report of gross revenue for the year preceding the application must demonstrate at least thirty percent of the establishment's gross revenue derived from sales of foods.

Applications for new restaurant licenses if not previously operated as an establishment serving meals, a business plan demonstrating the applicant's ability to meet the minimum thirty percent of gross revenue from the sale of foods required.

#### Liquor License Application Form Packets & Other Requests

Install [Adobe Acrobat Reader 11](#) to view, save and complete forms.

#	Packet Description	FORM NUMBER FILLABLE
<b>001 New Liquor License Application Packet</b>		
	Checklist (Review checklist for other requirements and supporting documents)	<a href="#">001 Checklist</a>
	Notification of Authorized Agent (if applicable)	<a href="#">LIQ-LIC-106</a>
	Liquor License Application Form	<a href="#">LIQ-LIC-101</a>
	For Corporation/Club: Add or Delete Officers/Directors (in addition submit Articles of Incorporation)	<a href="#">LIQ-LIC-103</a>
	For Partnerships: Add or Delete Partners/Members (in addition submit Partnership Agreement)	<a href="#">LIQ-LIC-104</a>
	For LLC/Unincorporated Association: Add or Delete Members (in addition submit Articles of Organization and Operating Agreement)	<a href="#">LIQ-LIC-104</a>
	Financial Statement (not over 1 year old)	<a href="#">LIQ-LIC-138</a>
	Personal History & Affidavit (1 per Officer, Director, Member, or 25%+ stockholder) (All Partners and Sole Proprietors required)	<a href="#">LIQ-LIC-128</a>
	Criminal History Record Clearance (1 per Officer, Director, Member, or 25%+ stockholder) (All Partners and Sole Proprietors required)	<a href="#">LIQ-LIC-132</a>
	Fingerprinting Instructions	<a href="#">LIQ-LIC-147</a>
	Voter List (Affidavit on Application for Statewide Voter Registration) or Statement of Affirmation (optional)	<a href="#">LIQ-LIC-139</a> <a href="#">LIQ-LIC-140</a>
	Zoning Clearance or Statement of Affirmation (optional)	<a href="#">LIQ-LIC-122</a> <a href="#">LIQ-LIC-140</a>
	FULL PDF PACKET 001	
<b>002 Transfer Liquor License Application Packet</b>		
	Checklist (Review checklist for other requirements and supporting documents)	<a href="#">002 Checklist</a>
	Notification of Authorized Agent (if applicable)	<a href="#">LIQ-LIC-106</a>
	Liquor License Application Form	<a href="#">LIQ-LIC-101</a>



**“We Want To Have  
Casino Games, And/Or  
Minors Under 18 Years  
Old Will Be Part of the  
Entertainment.”**

Rule §3-82-47.1 Music, Dancing, Entertainment.

Rule §3-86-101.53 Minors on License Premises.

- Try to file these types of requests three (3) weeks before the event.
- Both request forms are signed by the licensee, not the casino vendor or the supervising adult.
- On the minor entertainment form, do not forget to initial the parental permission block.
- LIQ can only approve craps, black jack, and roulette.
- Do not forget to include the “rules of play.”

# **“A Non-Profit Organization Will Be Conducting A Fundraiser Event On Our Premises.”**

009 One-Day Special Liquor License Application Packet (Non-Profit)

- Try to file all required documents at least three (3) weeks before the event; must be original signatures; political fundraisers are the “worst.”
- NPS applicant and licensee floor plans should “match”, show dimensions, and be accurate (golf courses, non-contiguous spaces, wine auction only are especially challenging).
- Must keep bar area and liquor storage under the existing permanent license.

## Measure Twice, Cut Once!

(You Would Be Surprised What We  
Get)

- Licensee contact info withheld by the authorized agent.
- Licensee and DBA names not uniform across all documents, or do not match what is on file with DCCA.
- Corrections on notarized documents are not initialed by the notary.
- Incorrect info given for premises vs. mailing vs. corporate addresses.
- Licensees attempt to drop off documents in piecemeal fashion, or fail to identify the application number or licensee name.



# **“Am I In Trouble?”** (enforcement)

- In response to a complaint.
- Because the particular zone is being monitored by LIQ investigators.
- As follow up to a written warning.
- As part of an underage compliance check.
- For the service of documents that could not be completed during the day.
- Being in close proximity to another licensee who is being visited.

# “I Got A Tag/Ticket/Violation!”

- Violation adjudication will proceed, even if the problem has been rectified (although penalty imposed *might* be reduced).
- The Deputy Corporation Counsel is not the decision maker – be prepared to give your explanation to the Commission at the hearing.
- Only some violations qualify for a written warning.
- After the adjudication hearing, a Decision & Order will be adopted by the Commission – served to the licensee – payment obligation is 15 days after service.
- Administration can extend payment deadline up to 30 days, for amounts no greater than \$2,000.

# **“This Employee Is In Training; Why Does He/She Have To Be Registered?”**

Rule §3-82-38.5 Registration of Employees.

- Must be registered prior to the start of employment.
- Registration must be readily available for inspection while “on duty” at the licensed premises.
- Both “employee” and “on duty” are broadly construed (Rule §3-84-78.01).

**“I’m a Salaried  
Employee; I don’t  
Need to Clock in.”**

Rule §3-82-38.4 Employee Records.

- Only exemptions recognized by the rule are entertainers and kitchen staff who do not handle, serve, or sell liquor.
- Requirement applies to managers.
- Both “employee” and “on duty” are broadly construed (Rule §3-84-78.01).



# **“The Primary Entrances Are Locked; Why Do Employees Need To Be Clocked In?”**

Rule §3-84-72.2 Premises Lighting; Doors.

- If “customers” are in the licensed premises, street or primary entrances must be kept unlocked.
- If a manager or employee is not clocked in, he/she is considered a “customer,” making the locked door a violation of the rule.

# **“July 31 ... Why Does That Date Ring A Bell?” (audit)**

Rule §3-81-17.54 Gross Sales Reports.

- The MOST common and recurring mistake licensees make is filing the annual gross liquor sales report late!
- In FY18, total of 59 late filers:
  - 37 – 1-15 days
  - 2 – 16-30 days
  - 3 – 46-60 days
  - 17 – 60+ days
- Not like the IRS – no extensions.
- Can file online, in person, or by mail.

# “What’s Wrong With My Gross Liquor Sales Report?”

Rule §3-81-17.54 Gross Sales Reports.

- Not signed by owner, partner, officer, member, authorized agent registered with LIQ.
- Failing to include all items passed on to the customer as part of its gross liquor sales (e.g., general excise tax; bottle fee; complimentary drinks).
- **IN JULY ALL LICENSEES ARE INVITED TO ATTEND AUDITOR-LED GLS WORKSHOPS WITH HANDS-ON ASSISTANCE TO COMPLETE YOUR GLS FILING!**

# “I Use A Cash Register System ...”

- Fail to include general excise tax that is assessed to customers in its GLS.
- Fail to retain cash register closing tapes (Z-tapes) to verify the accuracy of the reported GLS, or fail to retain for four (4) years.
- Fail to properly set up sales department keys (e.g., Food; Liquor; Non-Liquor; etc.).
- Fail to record or include complimentary drinks in reported GLS.
- Fail to record credit card sales.



# **“I Use A Point Of Sale (POS) System ...”**

- Fail to include general excise tax that is assessed to customers in its GLS.
- Fail to report correct sales totals from the POS summary report (gross sales vs. net sales).
- Fail to record comps and discounts under separate categories, or fail to record food and liquor comps under separate categories.

# “How Can I Get Some Help With My GLS?”

- Gross Liquor Sales Workshops are scheduled for July 12, 19, and 26, from 9:00 am to 11:30 am, at the LIQ offices.
- RSVP by July 5, 2019 to ensure a seat (attendance limited to 60 each session).
- 9:00 – 10:15: Learn how to file an accurate GLS report; if you bring all required sales documents to the workshop, get help filing your GLS report that day!
- 10:30 – 11:30: Learn how to file an on-line GLS report using the new Liquor Commission Information System( LCIS)!

# 2019 Rule Amendments

(Must happen before FY20 roll out as the new numbering system has already been given to the vendor building new LCIS!)

# Brief Chronology Of LIQ's “Modern” Rule Amendments

- January 1993 – Repealed in entirety and restated
- July 1995 – License fee increase
- July 1998 - Major rule amendment effort
- June 2005 – Major rule amendment effort; renumbering
- July 2005 – License fee increase
- January 2007 – Added direct wine shipper capability
- June 2008 – Added condominium hotels; major rule amendment effort
- August 2014 – Major rule amendment effort
- December 2015 – Added dancing definition
- March 2017 – Major rule amendment effort
- March 2018 – License fee increase



# Brief Synopsis Of The Process

- LIQ staff prepares first draft of rule amendment package.
- Commission, at hearing, provides their input and approves going forward.
- LIQ conducts stakeholder meetings with representatives from all license classes.
- LIQ prepares Small Business Impact Statement and appears before Small Business Regulatory Review Board.
- If SBRRB approves to go forward to public hearing, LIQ publishes notice of public hearing.
- Public hearing conducted.
- At a second hearing, Commission approves rule amendment package with any modifications.
- Rule amendment package is forwarded to the Mayor for approval.
- Rule amendment package is filed with the City Clerk's office; effective 10 days later.

# A Slight Bump In The Road ...

- Process will begin July 1, 2018. *We did that, but ...*
- Proposing repeal (!) of all existing rules. *Still the plan.*
- Top to bottom review of existing rules to determine which rules will be carried over - with necessary revisions - to new rules. *Ditto.*
- Formatting, numbering, etc. to be in compliance with the Hawaii Administrative Rules Drafting Manual (3<sup>rd</sup> edition). *Ditto.*
- Will be PLENTY of opportunities for stakeholder input! *Some content submission suggestions!*

# What The New Numbering Will Look Like

§3-80-1.1 **Definitions** will become §3-80-1.01.

§3-81-11.51 **Question of Law** will become §3-81-11.501.

# Thank You for Listening! Questions?

